

VZCZCXYZ0002  
PP RUEHWEB

DE RUEHKV #2306/01 3291529  
ZNR UUUUU ZZH  
P 241529Z NOV 08  
FM AMEMBASSY KYIV  
TO RUEHC/SECSTATE WASHDC PRIORITY 6773  
RHEBAAA/USDOE WASHDC PRIORITY  
RHEHAAA/NSC WASHDC PRIORITY  
RUEKJCS/SECDEF WASHINGTON DC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0031

UNCLAS KYIV 002306

SENSITIVE  
SIPDIS

STATE FOR EUR/PRA: AFRIEDT, ISN/NESS: DFENSTERMACHER  
DOE FOR NNSA: ABIENIAWSKI, DHUIZENGA

E.O. 12958: N/A  
TAGS: [AORC](#) [ENRG](#) [KNNP](#) [MNUC](#) [PTER](#) [TRGY](#) [UNVIE](#)  
SUBJECT: UKRAINE - DISPOSITION OF HIGHLY ENRICHED URANIUM  
AT THE KHARKIV INSTITUTE OF PHYSICS AND TECHNOLOGY

1. (SBU) Summary. On November 3, 2008, a DOE delegation from the National Nuclear Security Administration,s (NNSA) Global Threat Reduction Initiative (GTRI) met with Academician Boris Paton, President of the National Academy of Sciences of Ukraine (NASU), to discuss possible USG assistance on the disposition of highly enriched uranium (HEU) at the Kharkiv Institute of Physics and Technology (KIPT). During the meeting, Andrew Bieniawski, Director of GTRI, provided an official NNSA letter to Paton proposing up to USD 25 million in GTRI funding over four years for construction of a neutron source facility using low enriched uranium (LEU) at KIPT in exchange for a Government of Ukraine commitment to downblend all of the HEU material stored at KIPT. In anticipation of the USG proposal, Paton wrote on October 3, 2008 to Prime Minister Tymoshenko seeking Cabinet of Ministers support to implement the project for construction of the neutron source facility and downblending HEU; First Deputy Prime Minister Turchinov has instructed relevant Ukrainian agencies to work with NASU to draft a resolution for the Cabinet,s consideration. We will engage the Cabinet if a decision is not made shortly. End Summary.

Took A Long Time for KIPT to be Convinced  
-----

2. (SBU) For the past six years, GTRI has worked very closely with technical experts of KIPT and NASU, senior Government of Ukraine officials, Embassy Kyiv, and the Department of State to explore options for the disposition of HEU material at KIPT. The issue was raised on repeated occasions by USG principals with their Ukrainian counterparts, by the current and two previous U.S. ambassadors to Ukraine, by State Department officials at bilateral Nonproliferation Working Group meetings, and was the subject of numerous GTRI meetings with officials from the Ukrainian government, NASU and KIPT. Although there is no practical use for HEU material in Ukraine, the government of Ukraine views the material as a strategic asset not to be removed from its territory. Working to find a compromise, GTRI was finally successful in convincing KIPT and NASU officials to pursue the design and construction of a neutron source facility that would run on LEU, downblended on site from KIPT,s HEU stockpile. Finally, on May 16, 2008, the Vice President of NASU, KIPT, and NNSA concluded a protocol to develop the scientific justification for the construction of an LEU-based neutron source and to downblend KIPT HEU to LEU.

KIPT Fulfills Commitments  
-----

13. (SBU) GTRI,s sincere efforts to accommodate KIPT research needs while maintaining the primary USG nonproliferation objectives earned them the respect and trust of the KIPT technical experts and management. In its turn, KIPT has shown a true spirit of cooperation, completing all its deliverables related to the cost estimate and scientific substantiation for construction of the LEU neutron source facility and downblending of HEU to LEU according to the schedule outlined in the May 16, 2008 Protocol. These deliverables formed the basis for NASU to seek Government of Ukraine approval for disposition of the HEU and for GTRI to offer funding.

#### Paton Requests Cabinet Approval

-----

14. (SBU) In his October 3, 2008 letter to Prime Minister Tymoshenko, Paton expressed his support for the development of the neutron source facility at KIPT based on an accelerator controlled subcritical assembly. Paton also noted that HEU nuclear materials will be used by converting them to LEU for use as fuel in this and other research applications. In his letter, he explicitly requested that Prime Minister Tymoshenko & instruct relevant executive bodies to review the design materials and generate proposals for its implementation.<sup>8</sup> (Comment: The letter from Paton is a step forward as this is the first time that an important and well respected figure in Ukraine has recommend disposition of the HEU material at KIPT to the government. Paton plays an important role in shaping the energy, science, and research policy of Ukraine and his opinions are sought on such issues. End Comment.)

#### Cabinet of Ministers Issues Instructions

-----

15. (SBU) The NASU projects such as HEU downblending requiring Government of Ukraine authorizations are under the authority of the Department for Humanitarian Policy of the Cabinet of Ministers of Ukraine that reports to First Deputy Prime Minister Oleksander Turchinov. In his letter #49215/1/1-08 dated October 14, 2008, Turchinov issued instructions to Minister of Fuel and Energy Prodan, Minister of Science and Education Vakarchuk, and State Nuclear Regulatory Committee Head Mykolaychuk to work with NASU and other relevant organizations to develop a resolution for the Cabinet of Ministers of Ukraine in response to the October 3, 2008 Paton letter.

#### GTRI Provides Official Offer

-----

16. (SBU) During a meeting at KIPT on November 3, Bieniawski provided Paton with an official offer letter that confirmed GTRI,s willingness to fund up to USD 25 million over a four year period for construction of an LEU neutron source facility at KIPT in exchange for downblending of all the HEU stored there. The letter also noted that U.S. and Ukrainian technical experts will jointly develop a coordinated, integrated schedule so as to complete construction of the LEU neutron source facility and downblending of all fresh HEU stored at KIPT within four years.

#### Paton Receives GTRI offer

-----

17. (SBU) Paton welcomed the GTRI offer and noted that it would help Ukraine establish the state-of-the-art research infrastructure at KIPT that would support development of the nuclear power industry, medical isotope production, and provide capabilities for fundamental and applied research. This facility would also serve as a &Center of Excellence<sup>8</sup> for expanding international cooperation. Bieniawski stressed the importance for Paton and NASU Director General Nekhludov to obtain final approval from the Government of Ukraine so that construction of the neutron source facility and

downblending of HEU at KIPT could begin as soon as possible.

GTRI Offer Transmitted to the Cabinet  
-----

¶18. (SBU) Responding to Turchinov,s October 14, 2008 instructions, representatives from the Ministry of Science and Education asked NASU about the status of construction of the neutron source facility and downblending of the HEU at KIPT. Subsequently, Nekhludov requested that the GTRI letter be officially forwarded to the Cabinet of Ministers. On November 10, 2008, the GTRI offer was transmitted to PM Tymoshenko under a cover letter from the Ambassador. The Ambassador,s letter highlighted the benefits of constructing the neutron source facility using downblended HEU and requested an expedited and timely authorization to proceed with the project.

Kyiv Institute of Nuclear Research Intends to Repatriate its HEU to Russia  
-----

¶19. (SBU) In separate meetings during the November visit, Director of the Kyiv Institute of Nuclear Research Dr. Ivan Vishnevsky reiterated the Institute,s intention to seek repatriation of its HEU to Russia rather than downblending at Kharkhiv. Vishnevsky indicated that he may have GoU approval by the end of 2008, which would allow repatriation to Russia in the near term.

Need Continued Support To Succeed  
-----

¶10. (SBU) Comment. Both Paton and Nekhludov appeared genuinely enthusiastic about moving forward with the project as a means of revitalizing KIPT. However, final approval from the Government of Ukraine is the next key step and this

may prove to be difficult and elusive. We will engage the Prime Minister,s office if a response is not forthcoming shortly.

¶11. (U) This cable was cleared by Andrew Bieniawski.

TAYLOR